



TOM LATHAM
Congressman
4th District, Iowa

ORIGINAL
CONGRESS OF THE UNITED STATES

September 23, 2003

Mr. Bryant L. VanBrakle
Secretary
Federal Maritime Commission
800 North Capitol Street, NW
Washington, DC 20573

RE: Petition P3-03

Dear Secretary VanBrakle:

I am writing to express my interest in the above referenced petition. UPS, as a Non-Vessel Operating Common Carriers (NVOCCs), has tiled for an exemption from entering into confidential contracts with their customers. The current regulatory scheme governing NVOCCs is antiquated and should be revised to reflect the unique ownership characteristics of UPS' fleet.

Congress considered all aspects of the ocean shipping industry, including the role of NVOCCs, during debate on the *Ocean Shipping Reform Act* (OSRA) revisions of 1998. Based on the nature of ocean shipping at the time, Congress determined that NVOCCs should be regulated differently than vessel operators. NVOCCs have historically been smaller operations owning neither the ocean vessels nor the cargo being shipped. Congress decided that, in an effort to protect the shippers, NVOCCs should operate under a published tariff system.

Recent developments in ocean shipping demand significant revision of OSRA. There has been large-scale consolidation among ocean carriers resulting in the loss of major U.S. flagged carriers. In an effort to offer customers a full range of services, these very same carriers have created vertically integrated logistics companies that now compete with NVOCCs. Such is the case with UPS.

I appreciate your attention to the petition. Please feel free to contact me if I can be of any further assistance.

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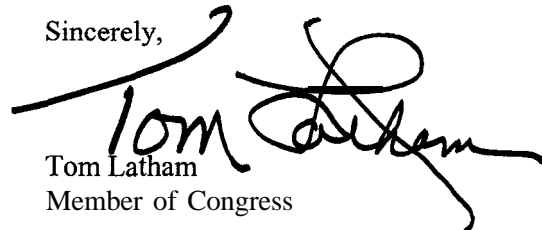
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Sincerely,


Tom Latham
Member of Congress

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